

## Message Text

CONFIDENTIAL

PAGE 01 STATE 066195  
ORIGIN EUR-12

INFO OCT-01 ISO-00 /013 R

66011  
DRAFTED BY EUR/EE:I M SILINS  
APPROVED BY EUR/EE:N ANDREWS  
-----118608 151458Z /47  
R 150326Z MAR 78  
FM SECSTATE WASHDC  
TO AMEMBASSY BUCHAREST

C O N F I D E N T I A L STATE 066195

FOLLOWING REPEAT BELGRADE 1196 ACTION SECSTATE FEB 14.

QUOTE C O N F I D E N T I A L BELGRADE 1196

E.O. 11652: GDS  
TAGS: OVIP (TITO, JOSEP BROZ) YO US  
SUBJ: TITO VISIT - BACKGROUND DOCUMENTS

1. FOR THE DEPARTMENT'S USE--AND WITH CHARACTERISTIC  
MODESTY--WE WILL BE SENDING IN THE COMING DAYS MATERIALS  
RELATED TO THE TITO VISIT. THE FOLLOWING IS AN OVERVIEW  
OF YUGOSLAVIA:

2. DEFYING GENERALIZATION, YUGOSLAVIA IS BALKAN, MEDITERRANEAN  
AND MIDDLE EUROPEAN IN ESSENCE; WITH A HISTORY GOING BACK  
THROUGH THE ROMAN ERA BUT A STATE ONLY IN THIS CENTURY;  
ROMAN CATHOLIC, ORTHODOX AND MOSLEM; BEARING THE MARKS OF  
BOTH THE TURKISH AND AUSTRO-HUNGARIAN EMPIRES, AS WELL AS  
INDIGENOUS KINGS AND DESPOTS; A CONTEMPORARY STATE POISED  
STRATEGICALLY AND POLITICALLY BETWEEN EAST AND WEST, AND  
PLAYING A WORLD ROLE FAR BEYOND WHAT SIZE OR POWER WOULD  
DICTATE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 066195

3. SITE OF THE SPARK THAT IGNITED THE FIRST WORLD  
WAR, YUGOSLAVIA AROSE OUT OF THAT WAR AS A STATE  
WELDED--OR PATCHED--TOGETHER WITH PARTS RANGING FROM  
THE KINGDOM OF SERBIA TO PIECES OF THE CRUMBLING TURKISH  
EMPIRE AND OF DEFEATED AUSTRIA-HUNGARY. LITTLE MORE THAN  
TWENTY YEARS LATER IT FELL VICTIM TO GERMANY AND ITALIAN  
INVASION, AND WAS TORN BY CIVIL WAR BETWEEN THE

COMMUNIST-LED PARTISANS UNDER TITO AND THE MIHAILOVICH FORCES BUILT FROM REMNANTS OF THE PRE-WAR REGIME. IN VICIOUS AND TRAGIC FIGHTING AGAINST THE OCCUPIERS AND EACH OTHER ALMOST 2 MILLION YUGOSLAV LIVES WERE LOST-- ABOUT HALF AT THE HANDS OF OTHER YUGOSLAVS.

4. MARSHAL TITO CAME OUT OF THE WAR AN AUTHENTIC NATIONAL HERO, ABLE TO FORM IN YUGOSLAVIA THE ONLY POST-WAR COMMUNIST REGIME IN EUROPE NOT IMPOSED BY SOVIET ARMS OR SUBVERSION. BUT, GOOD COMMUNIST THAT HE WAS, TITO WORKED CLOSELY WITH MOSCOW UNTIL FORCED TO DEMONSTRATE THAT HE WAS AN EVEN BETTER NATIONALIST. THE HISTORIC BREAK WITH THE SOVIETS IN 1948-49 HAS PROFOUNDLY AFFECTED YUGOSLAVIA'S COURSE FOR THE 30 YEARS THAT FOLLOWED.

5. AN OUTCAST IN THE COMMUNIST WORLD AFTER 1948, AND THREATENED BY SOVIET POWER, YUGOSLAVIA FOUND THE UNITED STATES PREPARED TO SUPPORT ITS INDEPENDENCE WITH MILITARY AND ECONOMIC ASSISTANCE PROGRAMS TOTALLING \$2.9 BILLION FROM 1949 TO 1965. WITH THE SECURITY THIS OFFERED, TITO EMBARKED ON POLICIES WHICH HAVE LARGELY FORMED TODAY'S YUGOSLAVIA AND WHICH EXPLAIN ITS IMPORTANCE AS A COUNTRY. INTERNALLY, HE SET IN TRAIN POLITICAL AND ECONOMIC TRENDS WHICH HAVE MADE YUGOSLAVIA A MAVERICK IN COMMUNIST THEORY AND PRACTICE. WHILE STILL A ONE-PARTY STATE, YUGOSLAVIA NO LONGER COMES CLOSE TO THE TOTALITARIAN

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 066195

COMMUNIST STEREOTYPE OF A HIGHLY CENTRALIZED SYSTEM CHARACTERIZED BY VIRTUALLY TOTAL SUPPRESSION OF INDIVIDUAL RIGHTS. EXTERNALLY, TITO JOINED WITH INDIA'S NEHRU AND EGYPT'S NASSER TO CREATE THE NONALIGNED MOVEMENT, THEREBY GIVING FOCUS TO THE GROWING NUMBER OF NEWLY-INDEPENDENT AND UNDERDEVELOPED STATES SEEKING A VOICE IN THE POST-WAR WORLD. SOLE SURVIVOR OF THE THREE AND, BY NOW, THE ONLY REMAINING NATIONAL LEADER OF THE SECOND WORLD WAR GENERATION, TITO STANDS AS AN ELDER STATESMAN AND LEADER OF THE NON-ALIGNED AND THE THIRD WORLD.

6. BOTH SELF-MANAGEMENT AND DECENTRALIZATION HAVE THEIR MOST SIGNIFICANT IMPACT IN YUGOSLAVIA'S ECONOMIC POLICY. THE ECONOMY--AND THE UNDERLYING ECONOMIC PHILOSOPHY-- START FROM PREMISES WHICH ARE UNORTHODOX IN COMMUNIST PRACTICE. UNLIKE THE REST OF COMMUNIST EUROPE, INDUSTRIAL PROPERTY IS NOT STATE-OWNED OR MANAGED VIA A GOVERNMENT BUREAUCRACY. RATHER, INDUSTRIAL AND ECONOMIC ACTIVITY IS CARRIED ON THROUGH A "WORKERS SELF MANAGEMENT" SYSTEM WHICH AT LEAST IN THEORY PLACES OWNERSHIP OF ENTERPRISES IN THE HANDS OF THOSE WHO WORK IN THEM (EXCEPT IN AGRICULTURE, 85 PERCENT OF WHICH IS

IN PRIVATE HANDS, AND IN RETAIL MARKETING AND SMALL MANUFACTURING, SOME OF WHICH IS PRIVATELY-OWNED). THESE ENTERPRISES OPERATE UNDER A BROAD ECONOMIC POLICY AND PLANNING MANDATE, BUT WITH SUBSTANTIAL INDEPENDENT MANAGEMENT AUTHORITY WHICH IS SHARED WITH THE WORKERS' SELF-MANAGEMENT ORGANS WITHIN THE ENTERPRISE (WHICH HAVE A VOICE IN SELECTION OF MANAGERS, PRODUCTION, INVESTMENT AND WAGE POLICY). THIS UNIQUE SYSTEM, COUPLED WITH EASTERN EUROPE'S ONLY REAL BANKING SYSTEM AND ACTIVE PARTICIPATION IN INTERNATIONAL MARKETS, HAS GIVEN YUGOSLAVIA A DYNAMIC INDUSTRIAL QUASI-MARKET--ALBEIT SOMEWHAT INEFFICIENT--ECONOMY WHICH IS, IN MANY RESPECTS, FAR REMOVED FROM THE STATIST ECONOMIES OF ITS EASTERN EUROPEAN NEIGHBORS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 066195

7. AS A SELF-PROCLAIMED LEADER OF THE NONALIGNED MOVEMENT, YUGOSLAVIA PARTICIPATES ACTIVELY IN A HOST OF INTERNATIONAL BODIES AND OFTEN SEEKS THE ROLE OF SPOKESMAN OR MEDIATOR ON ISSUES WHICH CONCERN THE NONALIGNED AND THE THIRD WORLD. YUGOSLAV POSITIONS ON MOST INTERNATIONAL QUESTIONS REFLECT BOTH THE LEADERSHIP'S PHILOSOPHICAL PROCLIVITIES AND THEIR SENSE OF WHAT WILL REINFORCE YUGOSLAVIA'S POSITION IN THE NONALIGNED MOVEMENT. WHILE THESE MOTIVATIONS MORE OFTEN THAN NOT LEAD YUGOSLAVIA TO POSITIONS DIFFERENT FROM OURS, THERE HAVE BEEN SOME RECENT SIGNS OF A TENDENCY TO PLAY A MODERATING ROLE BETWEEN OPPOSING POSITIONS, SUCH AS THE MIDDLE EAST AND THE HORN OF AFRICA. THIS IS ILLUSTRATED IN YUGOSLAVIA'S RECENT ACTIONS ON MIDDLE EAST DEVELOPMENTS. WITHOUT DROPPING THEIR LONG-STANDING SUPPORT FOR THE ARABS, THE YUGOSLAVS HAVE MOVED SIGNIFICANTLY TO EXPRESS OPENLY THE VIEW THAT THE EXISTENCE OF ISRAEL MUST BE ACCEPTED AND ASSURED. TITO HAS RECENTLY LENT HIS PERSONAL PRESTIGE TO THIS POSITION IN MESSAGES TO ARAB LEADERS.

8. IN THE CONTEMPORARY DYNAMICS OF TODAY'S WORLD, WITH EAST-WEST ISSUES AT THE SURFACE AT THE CSCE IN BELGRADE, WITH EUROCOMMUNISM NEAR THE SURFACE IN WESTERN EUROPE, AND WITH AN ARRAY OF ISSUES FACING US ALL IN THE MIDDLE EAST, AFRICA AND ELSEWHERE, YUGOSLAVIA WILL INEVITABLY RETAIN AN IMPORTANCE AND, THUS, HAVE AN INTEREST TO THE UNITED STATES WELL BEYOND ITS NOMINAL PLACE IN THE WORLD.

9. WHETHER YUGOSLAVIA'S IMPORTANCE WILL SURVIVE TITO'S DEPARTURE FROM THE SCENE--A PROSPECT WHICH MUST BE

CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 066195

CONSIDERED DESPITE HIS REMARKABLE LONGEVITY--WILL  
DEPEND ON BOTH INTERNAL AND EXTERNAL FORCES.  
YUGOSLAVIA'S LEADERS HAVE HAD TO CONTEND WITH NATIONALIST  
STRAINS AMONG THE ETHNIC AND RELIGIOUS GROUPINGS, AS  
WELL AS WITH WIDE DISPARITIES AMONG THE REPUBLICS IN  
ECONOMIC DEVELOPMENT. TOTO'S PASSING WILL REMOVE THE  
GREATEST SINGLE SYMBOL OF NATIONAL UNITY AND  
COULD THREATEN THE NATION'S STABILITY. IT IS  
DIFFICULT TO PREDICT WHAT THE SOVIETS MIGHT BE TWMPED  
TO DO IN SUCH A SITUATION IN THE INTERESTS OF BRINGING  
YUGOSLAVIA BACK INTO CONFORMITY AND UNITY. CLEARLY  
THE YUGOSLAVS ARE TOTALLY COMMITTED TO PRESERVE THEIR  
INDEPENDENCE. EQUALLY CLEARLY, THEIR LEADERS ARE AWARE  
OF THE RISK OF SOVIET INTERFERENCE, AND BELIEVE THAT WESTERN  
INTEREST, ENGAGEMENT AND COMMITMENT TO YUGOSLAV  
INDEPENDENCE COULD BE THEIR BEST INSURANCE AGAINST SOVIET  
MEDDLING IN A TIME OF TRANSITION.

10. IN THIS CONTEXT, BUILDING AND STRENTTHENING A STABLE  
STRUCTURE OF RELATIONSHIPS IN THE PRESENT MAY WELL HELP  
TO INSURE A FUTURE WHICH THE YUGOSLAVS DESIRE AND  
WHICH WOULD SERVE OUR INTERESTS.

E

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 mar 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE066195  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** I M SILINS  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780115-0438  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:**  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780365/aaaaccon.tel  
**Line Count:** 190  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** f440cec6-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** ONLY  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** ONLY  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 26 apr 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3321406  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TITO VISIT - BACKGROUND DOCUMENTS  
**TAGS:** OVIP, YO, US, (TITO, JOSEP BROZ)  
**To:** BUCHAREST  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/f440cec6-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014